

14. Organizational Culture, Development and Change

Organisational Culture:

Definitions:

"The organisational culture is a system of shared beliefs and attitudes that develop within an organisation and guides the behaviour of its members."

"The corporate culture consists of the normal values and unwritten rules of conduct of an organisation as well as management styles, priorities, beliefs and interpersonal behaviour that prevails. Together they create a climate that influences how will people communicate, plan and make decisions."

According to Edgar Schein, "Organisational culture can be defined as a pattern of basic assumptions-invented, discovered or developed by a given group as it learns to cope with its problems of external adaptation and internal integration-that has worked well enough to be considered valuable and, therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems."

Characteristics of Organisational Culture

- **1. Individual Autonomy :** The degree of responsibility, freedom and opportunities of exercising initiative that individuals have in the organisation.
- **2. Structure :** The degree to which the organisation creates clear objectives and performance expectations. It also includes the degree of direct supervision that is used to control employee behaviour.
- **3. Management Support :** The degree to which, managers provide clear communication, assistance; warmth and support to their subordinates.
- **4. Identity**: The degree to which, members identify with the organisation as a whole rather than with their particular work group or field of professional expertise.
- **5. Performance Reward System :** The degree to which reward system in the organisation like increase in salary, promotions etc. is based on employee performance rather than on seniority, favouritism and so on.
- **6. Conflict Tolerance :** The degree of conflict present in relationships between colleagues and work groups as well as the degree to which employees are encouraged to air conflict and criticisms openly.
- **7. Risk Tolerance :** The degree to which, employees are encouraged to be innovative, aggressive and risk taking.
- **8. Communication Patterns :** The degree to which, organisational communications are restricted to the formal hierarchy of authority.
- **9. Outcome Orientation :** The degree to which, management focuses on results or outcomes rather than on the techniques and processes used to achieve these outcomes.
- **10. People Orientation :** The degree to which, management decisions take into consideration the impact of outcomes on people within the organisation. When we appraise the organisation on the basis of the above characteristics, we get a complete picture of the organization's culture. This picture becomes the basis of shared norms, beliefs and understanding that members have about the organisation, how things are done in it and how the members are supposed to behave.



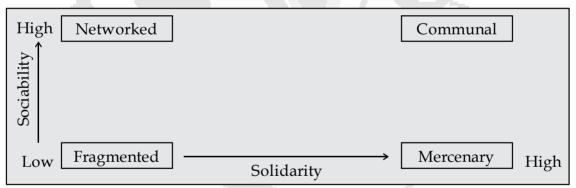
Cultural Typology

Goffee and Jones have identified four distinct cultural types. They argue that these four culture types are based on two dimensions which they call sociability and solidarity. Sociability refers to high concerns for people i.e. it is people oriented and focuses on processes rather than on outcomes. The second dimension i.e. solidarity is however task oriented.

These two dimensions create four distinct cultural types:

- **1. Networked Culture :** Networked culture is high on sociability and low on solidarity. Which means that the organisation treats, its members in a quite friendly manner and there is open sharing of information. However, this culture type may lead to poor performance as the focus is on the people rather than on tasks.
- **2. Mercenary Culture :** It is low on sociability and high on solidarity. The organisations with mercenary culture are task oriented and believe in competition. The people are highly focussed and goal oriented but, this type of culture may at times lead to frustration and stress among poor performers.
- **3. Fragmented Culture :** Fragmented culture is low on both sociability and solidarity. There is little or no identification with the organisation. It is the individual members' commitment, productivity and quality of work which is of utmost importance. This type of culture however suffers from lack of collegiality.
- **4. Communal Culture :** It is high on both sociability and solidarity. The organisations with communal culture value both people and tasks. Work accomplishment is from committed people, and there is a relationship of trust and respect.

The following diagram explains the four cultural typology:



Organisational Development

Meaning and Definition

Organisational development is a technique used for bringing change in the entire aspect of the organisation, rather than focusing attention on the individuals, so that change is readily absorbed.

According to French and Bell, "Organisational development is a long range effort to improve an organisation's problem- solving and renewal processes, particularly, through a more effective and collaborative management of organisation culture with special emphasis on the culture of formal work teams with the assistance of a change agent or catalyst and the use of the theory and technology of applied behaviour science, including action research."

According to Burke, "Organisational development is a planned process of change in an organisation's culture through the utilization of behavioural science technology, research and theory."



In a very comprehensive way, we can define organisational development as a planned, systematic, organised and collaborative effort where behavioural science and organisation theory principles and practices are continuously applied in order to increase the quality of life which is reflected in increased organisational health and vitality, enhanced individual and group members' competence and self worth and the general overall well being of society.

Thus, organisational development seeks to change beliefs, attitudes, values, structures and practices so that the organisation can better adapt to technology and live with the fast pace of change.

Need for Organisational Development

Organisational development is a dynamic technique. It uses the behavioural science knowledge to assist the organisations in adjusting easily to the changes. Every organisation has a need to remain viable and to survive in the world of change. OD has grown rapidly in response to this need of the organisations. For this purpose it uses the systems approach.

There are two important factors which cause the use of OD for the purpose of implementing planned change:

- (i) Training for Change: Employees need training to adjust with the changes. Training for change does not work properly only through reward structure on the job. There should be a proper change in the environment of the organisation in which people work, to make the training work proper. Thus, the basic objective of OD is to bring about change in the organisational structure so that it supports training.
- (ii) To Help in Making the Organisational Culture More Responsive : In a dynamic environment, changes take place very rapidly. This requires a highly receptive and effective organisation so that changes are implemented and absorbed to make organisations survive and grow. OD can help a lot in this direction. OD reaches into all aspects of organisation culture in order to make it more responsive.

Benefits of Organisational Development

Newton Margulies and Anthony Raia have given the following benefits of organisational development:

- 1. Provides opportunities for people to function as human beings rather than more resources in the production process.
- 2. Give each member of the organisation opportunity to develop to his full potential.
- 3. Seeks to make the organisation more effective in meeting all its goals.
- 4. Tries to create an environment in which exciting and challenging work can be found.
- 5. Gives people in the organisation the chance to influence how they relate to work, the organisation and the work environment.
- 6. Treats each human being as a person with a complex set of needs, all of which are important in his work and life.

Assumptions of Organisational Development:

Organisational development is based on certain assumptions which are explained as follows:

1. Most of the individuals are motivated by personal growth and development. However, the work habits of a person are a response to work environment rather than personality traits. The attitude of a person towards his job will depend upon



his growth potentials, in most of the cases. Therefore, efforts should be made to change the way a person is treated in the organisation rather than attempting to change the person. The work habits of a person will change positively only if we change the work environment to suit his requirements.

- 2. Highest productivity can be achieved only if there is effective integration of individual goals with the organisational goals.
- 3. OD tends to assume that co-operation is more effective than conflict. In healthy organisations, efforts are made at all levels to treat conflict as a problem subject to problem solving methods. This is because of the reason that conflict tends to erode trust, prohibit collaboration and eventually limit the effectiveness of the organisation.
- 4. Free expression of feelings is an important ingredient for commitment to work. Suppression of feelings adversely affects problem solving, personal growth and satisfaction with one's work.
- 5. The level of interpersonal trust, support and co-operation should be as high as possible: because growth of individuals is facilitated by relationships which are open, supportive and trusting.
- 6. There should be a sense of commitment among the employees in the organisation. Agreeing to do something is totally different from committed to do something. Sense of commitment makes it easy to accept change and the implementation of change is even easier when this commitment is based upon participation in the process.
- 7. Organisational development cannot be implemented in isolation. It must be reinforced by the organization's total human resource system.

Values of Organisational Development

Tannenbaum and Davis prescribed the values that organisations should develop to undertake OD efforts.

They specify that organisations should move:

- 1. Away from a view of human beings as essentially bad toward viewing them as basically good.
- 2. Away from avoidance or negative evaluation of individuals to confirming them as valuable human beings.
- Away from a view of individuals as "fixed" (i.e. being) toward seeing them as 3. "being in process" (i.e. becoming).
- Away from resisting and fearing individual differences toward accepting and 4. utilizing them.
- Away from utilizing an individual primarily with reference to his/her job 5. description to viewing the individual as a whole person.
- 6. Away from walling off the expression of feelings toward making possible both appropriate expression and effective use of feelings.
- 7. Away from marksmanship and game playing toward authentic behaviour.
- 8. Away from use of status for maintaining power and personal prestige towards use of status for organizationally relevant purposes alone.



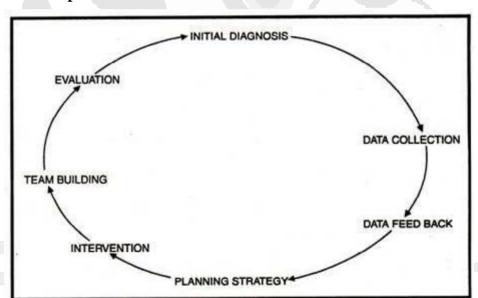
- 9. Away from distrusting people to trusting them.
- 10. Away from avoiding facing others with relevant data toward making appropriate confrontation.
- 11. Away from avoiding risk taking toward willingness to take risks.
- 12. Away from a view of process work as being unproductive effort to seeing it as essential to effective task accomplishment.
- 13. Away from primary emphasis on competition towards a much greater emphasis on co-operation.

Limitations of Organisational Development

OD is an important technique of introducing change. But as a method of inducing change, it has certain limitations also.

- 1. OD is based on the behavioural sciences concepts. Behavioural sciences themselves have many limitations, which are passed on to and applicable to OD also.
- 2. OD requires the use of certain diligent and highly motivated persons, who can take initiative to bring about change. But in organisations, people are, generally, complacent who are not willing to make the required efforts and they are not helpful in implementing organisational development.
- 3. OD cannot be applied without giving due consideration to the circumstances existing within the organisation. The local circumstances may pose a problem in adapting to change. Task of the organisation and the characteristics of its membership also put limitations on the effectiveness of OD.

Organizational Development Process



- 1. Initial Diagnosis of the Problem: In the first step, the management should try to find out an overall view of the situation to find the real problem. Top management should meet the consultants and the experts to determine the type of programme that is needed. In the first stage only, the consultants will meet various persons in the organisation and interview them to collect some information.
- **2. Data Collection**: In this stage, the consultant will make the surveys to determine the climate of the organisation and the behavioural problems of the employees.



The consultant will meet groups of people away from their work environment to get some answers to the questions such as:

- (i) What specific job conditions contribute most to their job effectiveness?
- (ii) What kind of conditions interferes with their job effectiveness?
- (iii) What changes would they like to make in the working of the organisation?
- **3. Data Feedback and Confrontation :** The data which has been collected in the second step will be given to the work groups, who will be assigned the job of reviewing the data. Any areas of disagreement will be mediated among themselves only and priorities will be established for change.
- **4. Planning Strategy for Change :** In this stage, the consultant will suggest the strategy for change. He will attempt to transform diagnosis of the problem into a proper action plan involving the overall goals for change, determination of basic approach for attaining these goals and the sequence of detailed scheme for implementing the approach.
- **5. Intervening in the System :** Intervening in the system refers to the planned programmed activities during the course of an OD programme. These planned activities bring certain changes in the system, which is the basic objective of OD. There may be various methods through which external consultant intervene in the system such as education and laboratory training, process consultation, team development etc.
- **6. Team Building :** During the entire process, the consultant encourages the groups to examine how they work together. The consultant will educate them about the value of free communication and trust as essentials for group functioning. The consultant can have team managers and their subordinates to work together as a team in OD sessions to further encourage team building. Following the development of small groups, there may be development among larger groups comprising several teams.
- **7. Evaluation :** OD is a very long process. So there is a great need for careful monitoring to get precise feedback regarding what is going on after the OD programme starts. This will help in making suitable modifications whenever necessary. For evaluation of OD programme, the use of critique sessions, appraisal of change efforts and comparison of pre and post training behavioural patterns are quite effective.

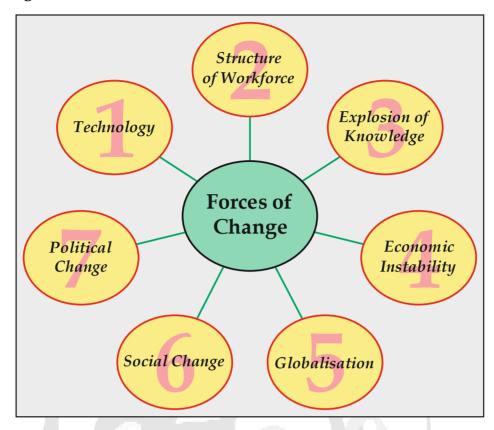
The steps in OD are part of a whole process, so all of them need to be applied if a firm expects to get the full benefits of OD. An organisation which applies only a few steps and leaves the others will be disappointed with the results.

Organizational Change

"When an organisational system is disturbed by some internal or external force change frequently occurs. Change, as a process, is simply modification of the structure or process of a system. It may be good or bad, the concept is descriptive only."



Forces of Change



- **1. Technology :** Each one of us is aware of the vast technological changes around us. It has stirred everyone's life and lifestyle. It has drastically affected each type of organisation. Use of computers, automation, TQM (Total Quality Management) is just to name a few. Take the example of maintaining company accounts, with the help of computers it has become easy, smooth, time saving, easily accessible and low in cost.
- **2. Structure of Workforce :** The workforce and its structure have also undergone a change. Now culturally diversified personnel's are recruited. There is large number of professionals employed in every organisation because certain jobs need the services of the professionals. Not only these people but also the men and women with low skill also find place in the organisations.
- **3. Explosion of Knowledge :** The increased number of schools, colleges, universities and other institutions imparting education speak for the explosion of knowledge and education in modern times resulting into large number of scientists, technocrats, managers, and others technical and non-technical personnel's making themselves available for more specialized jobs.

The expansion of knowledge made more inventions forcing the organisations to make innovations and replace the old system. The explosion of knowledge has created the awareness among people about the change. The organisations have to adopt these changes.

4. Economic Instability : The growing economic instability is another driving force to make changes. Inflation, fluctuations in rate of foreign exchange, crashing of prices of securities in the stock market, fluctuating interest rates are some of the forces responsible for economic shocks.



- **5. Globalisation :** The globalisation and liberalisation process has imposed competition globally. To remain in the business under the changed scenario the organisations have to make lot of changes and make improvement in the system to cope up with the competition. The globalisation forced many changes. The product life cycle is getting shorter. Many products are disappearing from the market because of no demand for them as the markets are flooded with new products. This is because of changing technology and the changes in tastes and preferences of the consumers and their needs. There is a continuous stream of new products thrown in their way to satisfy their needs.
- **6. Social Change :** During modern times a sea change has taken place in the society. Traditional social system is fast disappearing. This is because of explosion of knowledge. The traditional joint family system has completely shattered, caste system is fast disappearing.

Spread of education among women has raised their status in the society. They are now participating actively in all walks of life. They are now equal partners along with men in the contribution to the family, society or country's economic, political, scientific and technological development. There are now vast changes in the social values.

7. Political Change: The world today is witnessing global political change. More and more countries are adopting democratic pattern of governing. Unification of Germany, fall of USSR is the changes to name a few at global level. India is also under a sea change in politics.

Change is inherent and can take place at all levels such as individual level, group level and organisational level affecting individual, group and organisation. All these levels are the part of organisation. Organisation cannot remain static for long time. It has to change. If it does not want to change the forces of change shall change it. No one can escape change. It is all pervasive.

But who is responsible to bring about change and implement it? Organization wants change. It requires someone to shoulder the responsibility. The person who shoulders the responsibility for managing the process of change is known as change agent. The actions well planned to bring about change is known as change intervention. The targets of change are those persons who will be working for and in the changed environment.

Types of Changes

1. Changes in Organisational Structure: It should be remembered that nothing is permanent. The structure of organisation which does not accommodate the change or does not suit to changed environment must be altered or changed. The changes in the organisation structure required to be made in authority responsibility relationship, job design, working style, span of control, implementation of rules and regulations, decentralisation to be adopted more and more.

The organisational structure may have to be made matrix structure because of changes in technology require more technocrats. It also demands changes in job description. The need will also be felt to change the salary structure and other financial and non-financial incentives.

2. Technological Changes : The sea changes are taking place on the technology front. The organisation will not remain a mute spectator to these changes but will try to adopt them as early as possible. In modern times there are major changes in the automation, computerization, new methods, tools and equipment's. The increasing competition in the business and industry made it imperative to adopt the improved and new technology and replace the old one. Information technology has tremendous impact on the management and majority of organisations are adopting the sophisticated management information system. Communication has become easier and effective.



- 3. Changes in Workplace Layout and Interior Design: The management of the organisation has to carefully redesign the layout of workspace and interior design in the factory and office taking into consideration the needs and comforts of the employees and executives. The changes can be made in removing unnecessary partitions, lighting, cleanliness, and other facets of interior decoration which will motivate employees at better performance.
- **4.** Change in Attitude of People: The organisational changes help in changing the attitude and behaviour of the members of organisation. The changes in behaviour are visualized through communication, decision-making powers of the executives and problem solving skills, interpersonal relationship and their changed attitude towards work.

Some of the responses of the people to change may be negative and illogical. Some may adopt conflicting attitude to change. Under such circumstances necessary correction after knowing the reasons may be made to balance the situation.

The organisation should not adopt changes for the sake of novelty or simply to replace the old and traditional system. The changes must be made only after making a cost benefit analysis. If the benefits are more than the costs incurred on changes then only they may be taken up.

Stages for Implementing Organisational Change

Implementation of change takes place through a multi-dimensional process. Management has to see that the change stabilizes and becomes an indivisible part of the organisational process. It also has to see the need for change, the substitute for the old method and ethos and the new one comfortably suits the organisation. According to Kurt Lewin the change process consists of three important stages.

- (i) Unfreezing,
- (ii) Changing; and
- (iii) Refreezing
- 1. Unfreezing: Is the first step in the process of change. Unfreezing stage involves keeping aside the old ethos, old managerial style, values and organizational structure. Under this stage the need for change is recognized. All these old systems are to be replaced with the new ones. The managers should under this stage explain employees and subordinates the need and urgency to move away from the status quo or from old ethos, values, systems and methods.

He should prepare them, persuade them to adopt the new ones in the interest of organisation and themselves. Employees can be motivated in this regard through job enrichment, more authority and freedom. However, there are employees who stick up to the old values and do not want change even after adequate attempts at encouragement and motivation.

Under such circumstances force may be used as a last resort and prepare them to move away from the old systems and values etc. The unfreezing can also take place through proper education, inviting participation in the process of decision-making and seeking their cooperation.

2. Changing: After unfreezing is completed the stage is set for change. The change takes place. Old values, systems, ethos, structure are replaced by the new ones. Under this stage there is a movement from old to new system, from old environment to new, from old behaviour to new and so on. The organization gets a new face. It is a face off of the organisation. Changing stage is an action oriented stage where new values, systems, methods, management styles and new work culture and environment are established.

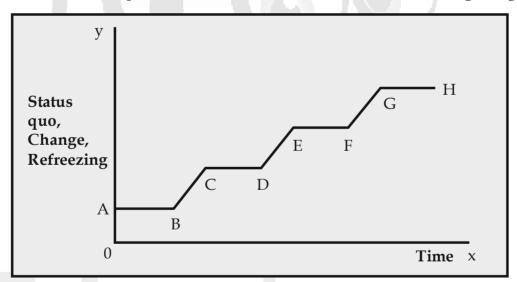


Unfreezing	Changing	Refreezing
(1) Acknowledging	Establishing	(1) Establishing
need for change	(1) New Values	changes
(2) Casting aside	(2) New Structure	permanently
old ethos, values	(3) New Methods	(2) Institution-
systems, methods	(4) New Systems	alising change
and structure	(5) New Managerial	(3) Affirming new
of organisation.	Style	equilibrium position
	(6) New Environment	(4) New system is
		refrozen

Fig. : A Model for Change

3. Refreezing : This is the stage where change becomes permanent. It is institutionalized. A new equilibrium position is ascertained. A new status quo is confirmed. A newly adopted ethos, systems, methods, structure, style are refrozen. This stage is very important. It should not leave any confusion regarding new methods, system, and ethos in the minds of employees and subordinates. Everything should be well settled. It is a state of new equilibrium.

Time is the most powerful factor which prompts everyone and every organisation to make adequate and necessary changes in the system, methods, thinking, ethos, behaviour etc. because time has changed. Permanency has its period. It has to change according to time. Equilibrium shifts from one position to the next one. It is shown in the diagram given below.



In the above diagram the positions AB, CD, EF, GH show refreezing. After change is implemented position at C is achieved CD is the refreezing state. Again there felt a need for change at point of time say at D which indicates the state of unfreezing and during a time span of DE change takes place. It refreezes at E and remains refreeze up to EF time period.

These go on in the organisation and are new points of unfreezing, time to change and refreezing again there will be a point of time for unfreezing and so on.

Rensis Likert has rightly pointed out that "Every organization is in a continuous state of change. Sometimes the changes are great, sometimes, small, but change is always taking place. The conditions requiring these changes arise from both within and without.



As a consequence, there is never ending need for decision which guides adjustments to change. The adequacy of these decisions for meeting an organisation's current and developing internal and external situations determine the well being, power and future of that organisation."

Points to be Considered Before Implementing a Change

- 1. The need for change should be explained to all the employees concerned because change affects all and many benefits from it. It is, therefore, necessary that all concerned should be taken into confidence through making discussions on the change to be implemented. The efforts should be made to convince all in favour of change.
- 2. In the undertakings where there are unions, the change to be implemented must be discussed with the trade union people and reach the agreement.
- 3. Implementing a change is a planned activity. Plans must be chalked out to implement change. A consensus should reach for need to change. It will facilitate smooth sailing because employees are prepared to welcome change.
- 4. The change brings along with it the increased responsibility and higher work standard and quality. This increases the workload. It is therefore necessary to raise the salary and wages of the employees and provide all the facilities so that they feel at ease with the change and without realizing the burden of it.
- 5. Change aggrieves many. The difficulties should be understood properly and to solve them. The unresolved disputes may be submitted to arbitration and the decision thereof be made binding on the parties concerned. As far as possible try to avoid conflict and nip it in the bud before it raises its head.
- 6. Change should be in tune with the growth of the undertaking. The time of expansion of undertaking and that of change must be the same so that if change causing retrenchment then the retrenched employees may be absorbed in another plant or they may find jobs elsewhere without further loss.
- 7. Implementation of change increases the responsibility of Human Resource Department as change does not occur only in technology and marketing strategy alone but also in human behaviour, attitudes ethos, cultural and social relationships which affect organisational climate. So H R Department has to take a note of it and be prepared to alter the H R strategy. It is essential because change promises better future and accelerating growth and to be in the race with others.
- 8. Make an analysis of resistance to change and make all out efforts to remove fears from the minds of the employees. Management should face the criticism boldly and try to remove the grievances and illusions if any. Most of the criticisms are unfounded and evoke from one or other illusions. But while doing so management must carefully and patiently listen to the suggestions, arguments against and in favour from the employees and take a note of their impressions and resentments and try to accommodate the valuable suggestions while planning and implementing change.
- 9. Make the employees accessible with the process of change so that they get convinced and start taking interests in the process. It will prepare them to accept change.



🖎 📖 Key Points & Revision Summary 🛄 ᢞ

- **Human Resources Management (HRM)** is a management function that deals with recruiting, selecting, training and developing human resources in an organization.
- **Personnel Management** is a part of management that deals with the recruitment, hiring, staffing, development, and compensation of the workforce and their relation with the organization to achieve the organizational objectives.
- Models of HRM
 - (a) The Matching Model of HRM
 - (b) Contextual Model of HRM
 - (c) The 5-P Model of HRM
 - (d) The Hard and Soft HRM Models
 - (e) European model of HRM
 - (f) The Harvard Model of HRM
- **Human Resources Planning** has been defined as a technique to facilitate the acquisition, utilization, development, and retention of a company's human resources.
- **Recruitment:** Process of searching for prospective employees and stimulating and encouraging them to apply for jobs in an organization.
- Selection is the process of choosing people by obtaining and assessing information about the applicants with a view to matching these with the job requirement.
- **Placement** is the process of assigning a specific job to the candidates selected by management.
- *Induction* is the task of introducing the new employees to the organization and its policies, procedures and rules.
- **Training** means prepare human resources into developed knowledgeable and skilled employees human resources.
- **Executive Development** or management development is a systematic process of learning and growth by which managerial personnel gain and apply knowledge, skills, attitudes and insights to manage the work in their organisations effectively and efficiently.
- *Career Planning* is the process by which of systematically matching career goals and individuals capabilities with opportunities for their fulfillment.
- **Succession Planning** is the task of indemnifying particular individuals as possible successors for specific positions among particular individuals already working in the organization.
- **Compensation Management:** Compensation can be defined as the financial and non-financial rewards provided by an employer for the time, skills and the effort made available by the employee in fulfilling job requirements aimed at achieving organizational objectives.
- **Fringe Benefit** refers to the extra benefit provided to employees in addition to the normal compensation paid in terms of wages and salary.



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- **Job Analysis** is a process to identify and determine in detail the particular job duties and requirements and the relative importance of these duties for a given job.
- **Job Evaluation**: The process of analysis and assessment of jobs to ascertain reliably their relative worth using the assessment as the basis for a balanced wage structure.
- Methods of Job Evaluation
 - (i) Ranking Method
 - (ii) Job Grading or Classification Method
 - (iii) Point Method
 - (iv) Factor Comparison Method
- **Performance Appraisal** is the process of evaluation of an employee at higher level by some qualified persons. It is the systematic evaluation of the performance of employees and to understand the abilities of a person for further growth and development.
- Methods of Performance Appraisal
 - (A) Traditional Method
 - 1. Rating Scale
 - 2. Ranking Method
 - 3. *Critical Incident Method*
 - 4. Graphics Rating Scale
 - 5. Essay Appraisal Method
 - 6. Checklist Method
 - 7. Grading
 - 8. Forced Distribution Method
 - (B) Modern Method
 - 1. Behaviourally Anchored Rating Scales (BARS)
 - 2. Management by Objective
 - 3. 360 Degree
 - 4. 720 Degree
 - 5. Human Resources Accounting
 - 6. Assessment Centre
- **Collective Bargaining** is a process in which the representatives of the employer and of the employees meet and attempt to negotiate a contract governing the employer-employee union relationship.
- Forms of Collective Bargaining
 - (i) Distributive Bargaining
 - (ii) Integrative Bargaining
 - (iii) Attitudinal Structuring
 - (iv) Intra-Organisational Bargaining



📜 Key Points & Revision Summary 🛄 🗷

- Worker's Participation in Management: Workers' participation, may broadly be taken to cover all terms of association of workers and their representatives with the decision-making process, ranging from exchange of information, consultations, decisions and negotiations, to more institutionalized forms such as the presence of workers' member on management or supervisory boards or even management by workers themselves.
- Levels of Participation:
 - 1. Information Participation
 - 2. Consultative Participation
 - 3. Associative Participation
 - 4. Administrative Participation
 - 5. Decisive Participation
- **Personality** is a set of characteristics and tendencies that determine those commonalities and differences in the behaviour (thoughts, feelings, and actions) of people that have continuity in time and that may not be easily understood as the sole result of the social and biological pressures of the moment.
- Personality Theories
 - (i) Psychoanalytic Theory
 - 1. The Id
 - 2. The Ego
 - 3. The Super Ego
 - (ii) Socio-Psychological Theory
 - (iii) Trait Theory
 - (iv) Self Theory
 - 1. Self-image
 - 2. *Ideal-self*
 - 3. Looking glass-self
 - 4. Real-self
- **Perception** is the process of selecting, organising, and interpreting or attaching meaning to the events happening in the environment.
- Attitude is a mental and neural state of readiness organised through experience, exerting a directive or dynamic influence upon the individual's response to all objects and situations with which it is related.
- Components of Attitudes
 - 1. Cognitive Component
 - 2. Affective Component
 - 3. Behavioral Component
- **Emotions**: An emotion is a natural instinctive state of mind deriving from one's circumstances, mood or relationship with others.



🔌 📖 Key Points & Revision Summary 🛄 🗷

- *Group Dynamics*: The social process by which people interact face to face in small groups is called group dynamics.
- Theories of Group Formation:
 - 1. Propinquity Theory
 - 2. Homan's Theory
 - 3. Balance Theory
 - 4. Exchange Theory
- **Power** refers to a capacity that A has to influence the behaviour of B so that B does something he or she would not otherwise do.
- **Politics** refers to the structure and process of the use of authority and power to affect definition of goals, directions and the other major parameters of the organisation. Decisions are not made in a rational or formal way but rather through compromise, accommodation, and bargaining.
- **Conflict and Negotiation (Organisational Conflicts):** Conflict is a process that begins when one party perceives that another party has negatively affected, or is about to negatively affect, something that the first party cares about."
- **Negotiation** is a process in which two or more parties exchange goods or services and attempt to agree on the exchange rate for them."
- Stress Management: Stress is a mental, emotional or physical reaction resulting from an individual's response to environmental pressure and similar stimuli.
- **Organisational Culture :** The organisational culture is a system of shared beliefs and attitudes that develop within an organisation and guides the behaviour of its members.
- **Organisational development** is a planned process of change in an organisation's culture through the utilization of behavioural science technology, research and theory.
- **Organizational Change:** When an organisational system is disturbed by some internal or external force change frequently occurs. Change, as a process, is simply modification of the structure or process of a system. It may be good or bad, the concept is descriptive only.



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